# CHRISTINE L. COHEN AUDITOR-CONTROLLER County of Ventura 800 South Victoria Avenue Ventura, CA 93009-1540



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June 8, 2010

Honorable Board of Supervisors County of Ventura 800 South Victoria Avenue Ventura, California 93009

SUBJECT: Receive and File the Second Follow-Up Audit of

Public Administrator-Public Guardian Operations

**RECOMMENDATION:** It is recommended that your Board receive and file the attached audit report concerning the second follow-up audit of Public Administrator-Public Guardian (PAPG) operations.

FISCAL/MANDATES IMPACT: None.

#### **BACKGROUND**:

In May 2007, a review of PAPG internal controls and compliance was completed by Thompson, Cobb, Bazilio & Associates (TCBA) as directed by your Board. In January 2009, a follow-up to this audit was completed by TCBA as commissioned by the Auditor-Controller.

On January 27, 2009, your Board received the transition plan to move the combined functions of the PAPG from the Treasurer-Tax Collector (TTC) to the Human Services Agency (HSA). The transition plan included the intent to have a compliance audit performed after the transition was completed.

#### **DISCUSSION**:

The audit report attached as Exhibit 1 transmits the results of the second follow-up audit as identified in the transition plan. The audit was performed by TCBA as commissioned by the Auditor-Controller in conjunction with the County Executive Office (CEO).

The primary audit objectives were to: 1) follow-up on the 28 recommendations in the prior follow-up audit report; and 2) evaluate the PAPG's transition from TTC to HSA.

Honorable Board of Supervisors June 8, 2010 Page 2

Overall, the audit disclosed that the PAPG has made several significant improvements since the last audit in 2009, although continuing opportunities for improvement were identified. Of the 28 recommendations in the previous audit report, 7 were fully implemented, 10 were partially implemented, and 11 had yet to be implemented. HSA management provided a written response that has been incorporated into the audit report package and agreed with the current audit's 22 recommendations.

The audit found that PAPG operations were successfully transitioned to HSA and did not result in any recommendations in this area.

In accordance with the County Administrative Policy on *County Auditing* [Policy No. Chapter VII(A)-6], the CEO will evaluate the PAPG's progress on completing outstanding corrective actions. The CEO will provide the results to the Auditor-Controller for scheduling further potential follow-up audits. Until such time, additional follow-up audits are not planned to be pursued.

This letter has been coordinated with the CEO, County Counsel, and HSA. If you have any questions, please contact me at 654-3151.

Sincerely,

CHRISTINE L. COHEN Auditor-Controller

Exhibit -

Exhibit 1 – Audit Report: Follow-up Audit on the Operations of the Public Administrator/Public Guardian

cc: Marty Robinson, County Executive Officer Noel A. Klebaum, County Counsel Barry Zimmerman, Director, Human Services Agency

#### **COUNTY OF VENTURA**

### AUDITOR - CONTROLLER

Follow-up Audit on the Operations of The Public Administrator/Public Guardian

May 2010

### **TCBA**

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May 15, 2010

Ms. Christine Cohen, Auditor-Controller County of Ventura 800 South Victoria Avenue Ventura, CA 93009-1080

Dear Ms. Cohen,

Thompson, Cobb, Bazilio & Associates, PC (TCBA) is pleased to submit this report on our follow-up audit of prior audit recommendations made regarding internal controls and operations of the County of Ventura's Public Administrator/Public Guardian (PAPG) Office. Our report provides the implementation status of the twenty-eight (28) prior audit recommendations and provides current recommendations where warranted. Our report also provides our assessment of the transition of PAPG operations from the Treasurer/Tax Collector to the Human Services Agency (HSA). This transition was initiated in March 2009 and was completed in December 2009.

TCBA would like to thank the staff of the PAPG for their cooperation throughout this follow-up audit. We observed significant improvements over the last year in PAPG internal controls and operations, and the transition of PAPG operations to HSA has contributed to this improvement.

Respectfully,

Michael J. DeCastro

Partner

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#### **Attachments:**

Corrective Action Implementation Summary HSA Management Response

#### A. EXECUTIVE SUMMARY

There were two primary objectives of this PAPG follow-up audit: 1) assess the status and actions taken on the twenty-eight (28) recommendations from the last follow-up audit report of the PAPG dated January 2009, and 2) assess the adequacy of the transition of PAPG operations from the Treasurer/Tax Collector (TTC) to the Human Services Agency (HSA).

Since 2004 the PAPG has been the subject of two management audits and a follow-up audit from which the 28 recommendations have been developed. The first audit of the PAPG was completed on February 12, 2004 by the Ventura County Auditor-Controller's Office and focused on the management of client assets and administration. The second audit conducted in May 2007 consisted of a review of PAPG internal controls and compliance completed by Thompson, Cobb, Bazilio & Associates (TCBA). The third audit, also completed by TCBA in January 2009, was a follow-up audit and assessment of PAPG's progress in implementing prior audit recommendations.

In October 2008, the Ventura County Board of Supervisors ordered the transfer of PAPG's functions and responsibilities from the TTC to the HSA. This move was initiated in March 2009 and was completed in December 2009. The transitional year of 2009 encompassed many challenges for the PAPG, which included an unusually high rate of employee turnover, the implementation of a new caseload management software system, the physical move of office locations, as well as the transfer of operations to HSA administration. It was a busy and challenging year for the PAPG to implement additional changes and recommendations. Nevertheless, we found that of the 28 recommendations, the PAPG fully implemented 7, partially implemented 10, and the remaining 11 recommendations had yet to be implemented.

Although the PAPG has moved to the HSA, their mission and responsibility to serve the County's court appointed mentally incapacitated, gravely disabled, or deceased residents remains the same. Our findings and recommendations apply to the PAPG, as it is now under the HSA; the Treasurer/Tax Collector Department was not included in the scope of this audit.

#### **HSA Management Response**

Attached to this report is HSA's complete management response to this audit. It must be noted that HSA management has agreed with all of the audit's findings and recommendations.

#### B. SUMMARY OF SIGNIFICANT FINDINGS

Below we provide a brief summary of the more significant follow-up findings and recommendations. A more detailed discussion on these and other findings is presented in the body of this report. A schedule summarizing the implementation status for each of the 28 recommendations is attached as an appendix to this report.

# 1. PAPG operations have been successfully transitioned from the Treasurer/Tax Collector to the Human Services Agency.

We found that the level of executive oversight at HSA is comprehensive and strong, and the coordination efforts with other LPS partner agencies remain in good standing, and have not been adversely impacted by the transition of operations. We also noted that PAPG administrative support services have improved due to the resources available at the HSA.

### 2. Improvements were found to PAPG operations since the last audit in January 2009.

There have been improvements made to PAPG operations as a result of and since the last audit conducted in January 2009. Some of the more significant improvements to operations include: 1) PAPG has created and filled a Senior Deputy PAPG position over PA and Probate case workload, resulting in more supervision and manpower over these key operational areas, 2) HSA and PAPG have created and filled a supervisory position over fiscal operations, resulting in improved oversight and review of fiscal operations, and added financial expertise, and 3) the completion of overdue Inventory & Appraisals (I & A) due to increased management oversight, resulting in 2009 I & A submittal due dates of current LPS conservatees being completed timely.

# 3. The new caseload management software system "Panoramic" has been implemented and is now in use.

PAPG has implemented the new caseload management software system and is using the system in all operations. The implementation of the new caseload management system should positively affect progress in many PAPG areas, which includes the restructuring and improvement of the inventory system, the automation of management and staff performance metrics, and the development of management reports.

## 4. PAPG needs to complete its review, update and revision to its policies and procedures for all areas of operation.

Recent organizational and system changes at the PAPG necessitate the review, updating and revision of most all of PAPG's policies and procedures. HSA and PAPG have begun this process for all PAPG operations and have dedicated staff

and resources towards this effort. Management and accountability of the PAPG will be strengthened with the development of these policies and procedures.

# 5. PAPG needs to review and restructure its manual inventory system for client property.

The current PAPG inventory system remains an overall manual and inefficient system for tracking client property, which increases the likelihood of human error and the mismanagement of client property. PAPG should thoroughly review their inventory procedures and business processes within the context of their recent organizational and software system improvements. PAPG has begun to study and review their inventory business processes. They should also research the inventory capabilities of their new caseload management software system and inquire about the best practices of other California PAPG offices that utilize the same system.

Additionally, PAPG should consider recent organizational changes to separate some inventory tasks that would add check and balance controls and more evenly distribute the workload and, thereby, eliminate back logs or bottle necks in the processing of inventory data.

# 6. PAPG should continue to improve and implement performance metrics into the new caseload management/accounting system.

Although some improvements have been made, the PAPG should continue to review, update and integrate performance metrics and indicators into the new caseload management system for the purpose of assessing and evaluating the quality and timeliness of case management and staff performance.

### C. INTRODUCTION, SCOPE AND METHODOLOGY

The PAPG manages and oversees the assets of mentally incapacitated, gravely disabled, or deceased County residents by court appointment. The PAPG manages financial assets, real property, and personal property for clients, including vehicles, clothing, jewelry, coins, and household items. For fiscal year 2009-10, the PAPG budgeted appropriations totaled \$1,045,700. During the course of the year, HSA requested an additional \$308,063 budget adjustment to cover anticipated overhead costs.

Currently the PAPG has 11 employees and 14 authorized positions. Current vacancies include: 1 Deputy Public Administrator, 1 Deputy Public Guardian, and 1 Community Service Worker. As of January 2010, the PAPG served a caseload of 169 active LPS Conservatorships cases, 35 active Probate Conservatorship cases, 44 active Probate Decedent Estates cases, and 298 active Sub Payee Program cases.

The scope of this follow-up audit included the review and implementation assessment of the 28 prior PAPG audit recommendations, in addition to assessing the adequacy of the transition of PAPG operations from TTC to HSA. Our approach and methodology in performing this follow-up audit included the following procedures:

- 1. Reviewed and assessed the adequacy of written procedures.
- 2. Interviewed PAPG management, staff, and other County personnel, which included representatives from Behavioral Health, Human Services Agency, County Counsel, General Services Agency and the Ventura County Executive Office.
- 3. Reviewed PAPG staff personnel performance evaluation procedures.
- 4. Testing samples of client fiscal and case files to verify consistency with written procedures.
- 5. Observed and reviewed workflow processes for the intake, management and oversight of client property.
- 6. Performed site visits of storage facilities to observe physical controls over client property.
- 7. Reviewed a sample of open and closed Public Administrator (PA) estate files for proper documentation of estate investigations.
- 8. Examined closure dates of open and closed PA estate cases for compliance with Probate Code.
- 9. Reviewed records pertaining to the visitation of clients and the monitoring of board and care facilities
- 10. Reviewed records pertaining to the procurement of contractor services on the behalf of clients.
- 11. Interviewed pertinent PAPG and software system provider personnel and observed the current use and adequacy of automated information systems.
- 12. Reviewed procedures and a sample of transaction records pertaining to the transfer of client bank accounts to PAPG trust accounts.

#### D. FOLLOW-UP RESULTS OF PRIOR AUDIT RECOMMENDATIONS

PRIOR AUDIT RECOMMENDATION NO. 1: Policies and procedures for the performance of periodic physical inventories should be formally developed, documented and implemented.

IMPLEMENTATION STATUS: Not implemented – Recommendation revised.

#### **Current Status:**

Policies and procedures for the performance of periodic physical inventories have not yet been formally developed or documented. PAPG inventory system for client property was found to be manual, inefficient and contributing to human and logistical errors in the management of client property.

We recommend that PAPG completely review their inventory system and business processes within the context of their recent organizational changes and then develop and document comprehensive new policies and procedures.

As noted in our prior audit, PAPG does conduct periodic physical inventory inspections to verify the accuracy of property records. However, we found that these inventory inspections were performed on a haphazard or informal basis. In our prior audit, we recommended a more formalized approach to auditing inventory, which includes written procedures and a strategic approach for selecting which property to audit. This recommendation has not yet been implemented.

In addition to our prior recommendation, we now further recommend that audits of inventory be performed by an individual other than the individual who maintains the master inventory records. Separating this task will more evenly distribute the inventory workload and also strengthen checks and balances over client inventory.

As part of our audit testing, we conducted site visits of storage facilities and matched master inventory records to records kept in client files and to actual property kept at the storage facilities. Of 17 client cases examined, we found 11 minor exceptions to inventory records and current policies. These exceptions ranged from client files lacking proper documentation to differences in master and client inventory records. The exceptions were deemed to be individually immaterial; however, taken as a whole, the number of exceptions could indicate that procedural controls over inventory need strengthening.

We found that the instances of incomplete documentation in case files were mostly due to unclear procedures. In interviews with staff, we noted an inconsistent understanding regarding inventory practices and the importance of some procedures. We believe that this is a result of high staff turnover, and the lack of updated, comprehensive written policies and procedures.

The differences between client and master inventory records were due to a backlog in the processing of inventory information. All inventory forms and change forms were routed to one person, the Special Assignment Deputy over inventory who also serves as the Deputy Public Administrator over estate cases. This Deputy was tasked with retyping and transcribing the inventory information into a master inventory record kept on a word processing document. We found this to be a very manual and time consuming process to maintaining a master inventory and increased the likelihood of human error.

In discussions with the new caseload management system service provider, we learned that many of the inventory practices of the PAPG, such as maintaining a master inventory, could be automated and that the PAPG is not currently using all of the system's capabilities for inventory. The service provider informed us that there are other California PAPG offices using the system's inventory capabilities more fully and that they could serve as an example.

Overall, we found that the current PAPG inventory system to be a manual system that could be improved and simplified through review of business processes and automation. Considering the transition that the PAPG has completed, we believe that it would now be prudent and timely for PAPG to thoroughly review their inventory procedures and business processes within the context of their recent organizational changes. PAPG has begun to study and review their inventory business processes and research the inventory capabilities of their new caseload management software system.

#### **Current Audit Recommendation No. 1**

PAPG should continue to review their inventory business processes and research the inventory capabilities of their new caseload management software system. PAPG should also inquire about the best practices of other Californian PAPG offices that utilize the same system. PAPG should then develop and document new comprehensive policies and procedures over inventory.

#### **Current Audit Recommendation No. 2**

PAPG should consider separating some inventory tasks, such as the inventory audit, which would add check and balance controls and more evenly distribute the workload eliminating backlogs and bottle necks in processing.

PRIOR AUDIT RECOMMENDATION NO. 2 - Procedures and best practices for the use of the video camera should be developed and disseminated to staff through in-service training for more effective use in recording inventory.

IMPLEMENTATION STATUS: Partially implemented – Recommendation restated.

#### **Current Status:**

Although a desk procedure for the proper use of the video camera had been developed, the procedure was not formally adapted and disseminated to the staff.

PAPG is in possession of an electronic camera for the use of documenting support for inventory items. This camera has both single shot and video functionality. The consistent use of the camera by all Deputies would strengthen its use as a reliable source of visual support for written inventory reports. However, we found that the use of the video camera or single shot is still based on the discretion of the Deputy taking the inventory. The reliability of the camera's visual support is mitigated if its use is allowed to vary by Deputy.

The former Special Assignment Deputy for Property had developed an informal desk procedure for the use of the video camera. However, this procedure has not been formally adapted and disseminated to staff. We continue to believe that the electronic record keeping of client property would be improved with application of consistent standards and procedures.

Thus, we restate our recommendation that procedures and best practices for the use of the video camera should be developed and disseminated to staff through in-service training for more effective use in recording inventory.

#### **Current Audit Recommendation No. 3**

Procedures and best practices for the use of the video camera should be developed and disseminated to staff through in-service training for more effective use in recording inventory.

PRIOR AUDIT RECOMMENDATION NO. 3 - A procedure that consistently notifies a third party County agency, such as the Sheriff Department 24 hours prior to the performance of initial inventory assessment for Conservatorships should be considered. This policy should allow for some exceptions with the written approval of the Assistant PAPG.

IMPLEMENTATION STATUS: Partially implemented – Recommendation revised.

#### **Current Status:**

PAPG supervisors have, on occasion, accompanied deputies and staff in the performance of inventory assessments for Conservatorships, thereby providing some third party control assurance over initial inventory assessments. However, third party agencies have not been involved with this procedure.

We revised our recommendation to facilitate third party assurance over the inventory process. PAPG stated that the implementation of this recommendation has been difficult because of the required cooperation of a third party County agency. Other agencies have been hesitant to accompany the PAPG on initial inventory assessments because of time and workload constraints and also concerns such as potential liability. PAPG deputies voiced concerns about which agencies should be allowed to participate, citing proper training and readiness for the task.

Current procedures state that initial inventory assessments are only to be performed under dual control, meaning that deputies need to be accompanied by another staff member in the performance of the inventory. We found that PAPG is performing these inventories under dual control on a 100% basis and that the dual control is documented in the inventory records. Although we believe that dual control is a positive development and an essential procedure, PAPG should be mindful that the dual control procedure is not 100% effective in the prevention of fraud or misappropriation of client inventory. It will not prevent, for example, collusion between staff.

We recognize that requiring a third party County agency to participate in the PAPG inventory process makes implementation of this recommendation difficult. However, we still believe that a third party involved in the inventory process on a random basis would strengthen the dual control procedure and would add an additional layer of assurance over client inventory.

Thus, we have revised our recommendation to remove the requirement that the third party be from another County agency. We believe that a broad range of qualified individuals, including PAPG supervisors, could fulfill this role and observe during the inventory process adding assurance to the dual control procedure over inventory. We recommend a third party involvement on a random basis to achieve the objective of added assurance.

#### **Current Audit Recommendation No. 4**

PAPG should consider a procedure that requires the presence of a third party, such as a supervisor or manager, to observe initial inventory assessments of Conservatorships on a random basis.

PRIOR AUDIT RECOMMENDATION NO. 4 - PAPG should ensure the requirements of Probate Code Section 12200 are met. PAPG should attempt to complete every estate within the time period established by the Probate Code. If this cannot be reasonably accomplished, then a status report should be filed with the court.

IMPLEMENTATION STATUS: Partially implemented – Recommendation revised.

#### **Current Status:**

The timeliness of processing and completing estate cases has improved. However, the PAPG remains out of compliance with a small percentage of open cases.

PAPG has shown progress towards becoming compliant with Probate Code Section 12200. We have revised our recommendation in light of the progress made. Probate Code Section 12200 states that the personal representative over estate cases shall either petition for an order for final distribution of the estate or make a report of status of administration not later than 12 or 18 months depending on whether or not a federal estate tax return is required. At the time of our testing, 3 of the 39 open PA estate cases (or 8%) were found to be out of compliance because they exceeded the 18 months since date of death and had neither a petition for final distribution nor a status of administration report filed with the court. This is a significant improvement over our prior audit which found nine out of twenty open PA cases (or 45%) to be out of compliance.

The improvement in the timeliness of processing the estate cases is mostly due to staff working with County Counsel and improving efficiency. However, during the course of our audit, the Deputy PA in charge of estate cases left the PAPG creating a vacancy in this area. This will certainly have a negative impact on the timeliness and completion of estate cases. We also noted that there are no written policies and procedures for the administration of PA estate cases.

#### **Current Audit Recommendation No. 5**

PAPG should continue to work with County Counsel to increase efficiencies in the processing of estate cases, fill the Deputy PA position, and document its policies and procedures for PA estate cases.

PRIOR AUDIT RECOMMENDATION NO. 5 - A workload assessment should be conducted in the PA estate area to determine staffing requirements.

IMPLEMENTATION STATUS: Not implemented – Recommendation restated.

#### **Current Status:**

PAPG has not performed a formal workload assessment for the PA estate area to determine the level of adequate staffing requirements.

In our prior audit, we noted that the timely closure of PA estate cases and the meeting of Probate Code requirements, such as the filing of status reports could be improved if more manpower and management resources were allocated in this area. We recommended that PAPG perform a formal workload assessment as a precursor to the allocation of the more staff resources over the PA.

PAPG has not formally implemented the recommendation by performing a workload assessment to determine the staffing requirements for the PA estate area.

#### **Current Audit Recommendation No. 6**

A workload assessment should be conducted in the PA estate area to determine staffing requirements.

PRIOR AUDIT RECOMMENDATION NO. 6 - In the procurement of work/services from non-governmental entities, PAPG should only use contractors that have undergone a contracting process and have been approved either by the PAPG or by another County or City agency.

IMPLEMENTATION STATUS: Partially implemented – Recommendation revised.

#### **Current Status:**

PAPG uses contractors that have been approved through a formal contracting process for the more significant and recurring services procured by the PAPG. However, in the procurement of services for clients, the PAPG continues to procure the services of vendors and contractors that have not been approved through a formal contracting process. Controls over procedures to procure services from vendors and contractors on the behalf of clients could be strengthened.

For the more significant and recurring services procured by the PAPG such as auctioning services and public storage the PAPG has used contractors that have been approved through a formal contracting process and have been used by the Ventura County Sheriff Department. Also, as reported in our prior report, PAPG had developed and successfully completed two RFP processes: one for real estate services for the sale of real property (including mobile homes) and one for the new caseload management system software.

However, in the procurement of services for clients, the PAPG continues to procure the services of vendors and contractors that have not been approved through a formal contracting process. This is mostly done in conjunction with the real estate services providers contracted in the above RFP. For example, the PAPG will procure the services of a contractor or cleaning service to fix or prepare a client's real estate property for re-sale. In these instances the contracted real estate services provider will recommend the improvements for consideration by the PAPG. This is in accordance with the RFP's Statement of Work. The PAPG's policies are to require at least three bidders, and have all procurements approved by the Assistant PAPG. Once the work is completed, invoices are received and charged to client accounts.

Our examination of the procurement records for these transactions showed that the procedures are followed. However, we found that specific procurement policies and

procedures were not formally documented. We believe that the development and documentation of procurement procedures specifically pertaining to the procurement of services on the behalf of clients would strengthen management of this area.

We also believe that a list of approved contractors should be maintained to help guide the procurement decisions of these services, and that the recordkeeping of these transactions be more formalized with guidelines for document retention.

#### **Current Audit Recommendation No. 7**

Policies and procedures for the procurement of services on the behalf of clients should be developed, documented and reviewed by the HSA. Procedures should include maintaining a list of approved contractors and guidelines for maintaining records of these transactions.

PRIOR AUDIT RECOMMENDATION NO. 7 - Policies and procedures for interest allocation for client cases that are closed mid quarter and to individual estates at the time of final distribution should be developed and implemented.

#### IMPLEMENTATION STATUS: Not implemented - Recommendation restated.

#### **Current Status:**

Policies and Procedures for interest allocation for client cases that are closed mid quarter and to individual estates at the time of final distribution have not yet been developed and implemented.

PAPG has transferred the procedure for allocation of interest to the new caseload management system, "Panoramic". As of the writing of this report the PAPG has performed this procedure on two occasions with no material exceptions. This process is now reviewed by the new fiscal operations supervisor.

As in our last audit, we found that PAPG only allocates interest to active accounts. Interest is not allocated to clients whose cases are closed in mid-quarter. PAPG does not yet manually compute and allocate interest from the beginning of the quarter to the case closure date.

In discussions with PAPG management, we were told that most cases that are closed mid-quarter have a very small balance which makes the allocation of interest essentially immaterial, but still a time consuming process. PAPG management is considering establishing a threshold balance amount for which the interest would be manually calculated. When a client's balance reaches a certain amount the PAPG would manually calculate and allocate the interest if needed. We concur that most client's account have very small balances and that a threshold balance amount should be established that determines materiality and when the PAPG would manually calculate

and allocate interest. We believe that this amount should be documented and included in the written policies and procedures.

Lastly, County Counsel has requested that the PAPG maintain the accounts of individual estates open for a period of time with a positive cash balance after they had been processed for the purpose of having cash available if additional closing costs are required to be paid. This has had the positive effect of being able to allocate interest to these accounts at the end of the quarter before the individual estates cases have been permanently closed.

Although there have been positive developments, we believe that the PAPG should still develop and document policies and procedures for interest allocation for client cases that are closed mid quarter and to individual estates at the time of final distribution.

#### **Current Audit Recommendation No. 8**

Policies and procedures for interest allocation for client cases that are closed mid quarter and to individual estates at the time of final distribution should be developed and implemented.

PRIOR AUDIT RECOMMENDATION NO. 8 - The new caseload management software system should be implemented as quickly as possible.

#### **IMPLEMENTATION STATUS:** Fully implemented

#### **Current Status:**

The new caseload management software system "Panoramic" has been implemented as of January 2009 and is currently in use for all PAPG operations.

Although the new caseload management system has been implemented, it should be noted that the implementation of a caseload management system is a long term process. This process includes the conversion of data and its integration to other County systems, the study of work flows, continuous staff training and adjustments to the configuration of the system. The system provider maintains support of the system and is in constant communication with the PAPG. In the coming months, the system provider will work with PAPG to optimize the system to correspond with and complement the business processes of the PAPG. As of the writing of this report, the process of implementation has been fully engaged; however, implementation of the new caseload system should not be considered as complete.

In discussions with the system provider, we learned that the provider maintains similar PAPG caseload management systems in other California counties. These other PAPG offices have similar operational requirements to Ventura County. PAPG should make

efforts to inquire with these other offices as they work with the system provider to optimize their caseload management system.

#### **Current Audit Recommendation**

None

PRIOR AUDIT RECOMMENDATION NO. 9 - Review over fiscal operations, including the addition of financial expertise, should be increased.

#### **IMPLEMENTATION STATUS:** Fully implemented

#### **Current Status:**

HSA has created and filled a supervisory position for PAPG fiscal operations. This position adds financial expertise and supervision to fiscal operations.

The Director of Human Resources was authorized by the Board of Supervisors to establish a supervisory fiscal position effective February 8, 2009. The position was filled in August 2009. This position is allocated in Organization 5300, Human Services Agency – Fiscal Division. The position, Accounting Officer IV, reports directly to Fiscal Administration of HSA, but also works closely with and directly advises the Assistant PAPG.

The Accounting Officer IV position supervises the PAPG fiscal staff, oversees financial operations of the PAPG and also may be used in areas such as inventory management. We believe the addition of the Accounting Officer IV position adds the needed supervision and financial expertise to the PAPG. We also believe that the Accounting Officer's direct report to HSA Fiscal Administration is an appropriate check and balance control that will add a layer of assurance over PAPG fiscal operations.

#### **Current Audit Recommendation**

None

PRIOR AUDIT RECOMMENDATION NO. 10 - PAPG should track data and develop management reports for Probate and PA estate cases. Management performance reports should include compliance issues being tracked such as I & A's and hearing notice filing dates.

IMPLEMENTATION STATUS: Partially implemented – Recommendation revised.

#### **Current Status:**

PAPG is currently tracking and reporting management data for LPS conservatorships and in the process of developing management reports for Probate and PA estates. PAPG continues to track data for I&A's and hearing filing dates for internal purposes.

PAPG maintains a management report for the LPS program. This data is reported to HSA management in management meetings every two months. The report tracks performance data and is updated on a monthly basis. Data is manually compiled. Data includes Referrals. Temporary Appointments, Initial Appointments. Reappointments, Accountings Approved, Other Terminations, Hearings. and Continuances.

PAPG has not yet completed development of management reports for the PA and Probate programs. A beta format for these reports has been developed.

HSA and PAPG have developed a strategic plan which quantifies the prior audit recommendations into measurable metrics. Progress on the strategic plan is overseen by the Assistant Director of the HSA.

PAPG also continues to track data for I&A's and hearing filing dates. The appointment date, I & A due date, file dates, and hearing notice filing dates are tracked manually on an internal management spreadsheet. This information keeps PAPG management informed about upcoming hearing dates and compliance deadlines.

With the implementation of the new caseload management software system, the PAPG plans to automate many aspect of this reporting function and reconfigure the reports to be automatically tracked by the new system. We believe that the PAPG should continue to study the new caseload management software's capabilities, and automate the tracking of management metrics.

#### **Current Audit Recommendation No. 9**

PAPG should track data and develop management reports for Probate and PA estate cases.

#### **Current Audit Recommendation No. 10**

PAPG should continue to study the new caseload management software's capabilities, and automate the tracking of management metrics.

PRIOR AUDIT RECOMMENDATION NO. 11 - Quality performance indicators and performance metrics should be revised, updated and integrated with the new caseload management system upon its implementation.

#### IMPLEMENTATION STATUS: Partially implemented – Recommendation revised.

#### **Current Status:**

Quality performance indicators for positions have not been updated or revised. However, the PAPG is tracking performance metrics for the LPS program and developing performance metrics for the PA estates and Probate programs. PAPG is beginning to work with new system provider to assess how to use the system to track performance metrics related to staff performance and the management of clients.

Quality performance indicators for each position were developed by the previous Assistant PAPG. These performance indicators have not been updated or revised. PAPG is tracking performance metrics for the LPS program and developing performance metrics for the PA estates and Probate programs. With the implementation of the new caseload management system, PAPG is beginning to work with the new system provider to assess how to use the system to track performance indicators related to staff performance and the management of clients.

We continue to believe that quality performance indicators and performance metrics should be revised and updated and configured into the new caseload management system where possible.

#### **Current Audit Recommendation No. 11**

PAPG should continue to revise, update and integrate quality performance indicators and performance metrics into the new caseload management/accounting system for tracking and evaluating the quality and timeliness of case management and staff performance.

PRIOR AUDIT RECOMMENDATION NO. 12 - PAPG should develop written policies and procedures for the transfer of funds from client bank accounts to Treasurer Trust accounts.

#### IMPLEMENTATION STATUS: Not implemented – Recommendation restated.

#### **Current Status:**

PAPG has developed procedures for the transfer of funds from client bank accounts to Treasurer Trust accounts; however these procedures have not been formally documented.

We found that the PAPG procedures for client bank account closures and transfer of funds to Treasury trust accounts to be adequate. The procedures include dual custody requirements for collection of the funds, writing letters of authority and conservatorship for presentation to the bank at time of withdrawal, requesting the bank to call PAPG

management upon release of the funds to PAPG staff and requiring receipts for amount of withdrawal that are kept in client files. However, these procedures are still not formally documented.

In interviews with staff, we observed that the level of understanding of the procedures to transfer client funds to PAPG varied from highly knowledgeable to uncertain. It was determined that this variation was due to the lack of documented procedures and the high rate of employee turnover. We believe that a complete, up-to-date written procedural guide that lists the correct steps and documentation requirements is needed to ensure compliance with procedures.

Given the high rate of employee turnover, it is especially important that policies and procedures are documented and accessible to guide staff through important procedures such as the transfer of funds from client banks to PAPG trust accounts.

#### **Current Audit Recommendation No. 12**

PAPG should develop written policies and procedures for the transfer of funds from client bank accounts to Treasurer Trust accounts.

PRIOR AUDIT RECOMMENDATION NO. 13 - HSA should consider providing PAPG with financial management assistance to effect the smooth transition of the PAPG operations to HSA. The financial assistance currently provided by the TTC is temporary and will be concluded when PAPG operations move to HSA.

#### **IMPLEMENTATION STATUS:** Fully implemented

#### **Current Status:**

HSA has created and filled the position of Accounting Officer IV to oversee and supervise financial operations of the PAPG.

#### **Current Audit Recommendation**

None

PRIOR AUDIT RECOMMENDATION NO. 14 - PAPG should perform a review of fiscal operations job duties and needs to identify the specific financial expertise and training required.

**IMPLEMENTATION STATUS:** Fully implemented

#### **Current Status:**

HSA management had conducted an evaluation of fiscal operation's job duties and requirements in conjunction with Human Resources. The position of Accounting Officer IV was created and filled as a result of this evaluation.

HSA management conducted an evaluation of PAPG fiscal operations in conjunction with Human Resources to determine the specific financial expertise and training required for PAPG. Consideration was given to what position would best complement the job requirements of the PAPG, without being either over or under qualified. HSA Management concluded that the position of Accounting Officer IV would best complement the PAPG's needs and requirements.

Ventura County Human Resources website describes the Accounting Officer IV as "the lead level class Accounting Officer serving as a technical advisor to management and lower level Accounting Officers. In addition to performing advanced-journey accounting work, incumbents also perform program/administrative duties in support of managers and other higher level positions. In moderately larger departments, may be responsible for all facets of the fiscal monitoring, accounting control, budget compilation and projection, rate development and/or grant accounting functions".

We concur with HSA management assessment and believe that the qualifications of the Accounting Officer IV are well suited for the needs and requirements of the PAPG.

#### **Current Audit Recommendation**

None

PRIOR AUDIT RECOMMENDATION NO. 15 - PAPG should conduct an annual review or audit over fiscal activities.

IMPLEMENTATION STATUS: Not implemented - Recommendation Revised.

#### **Current Status:**

An annual review or audit of PAPG fiscal activities has not been performed. HSA's Fiscal Administration oversees the fiscal operations of the PAPG and is currently assessing reporting requirements.

There has not been an independent financial review or audit of PAPG fiscal operations and HSA has no plans to engage an audit at this time. However, PAPG fiscal operations are overseen by HSA's Fiscal Administration and are subject to and part of the County's Annual Single Audit process as are all County programs. Currently, the HSA is assessing PAPG fiscal operations and determining what reporting requirements should be required. It is noted that HSA Fiscal Administration management have direct access

to PAPG's Panoramic caseload management software and Ventura County Financial Management Software for oversight purposes.

The organizational structure of PAPG's fiscal operations has been significantly improved with the addition of the financial expertise and supervision of the Accounting Officer IV. Further, the Panoramic caseload management software has improved many accounting processes. We, therefore, are revising our recommendation to support HSA's assessment process.

#### **Current Audit Recommendation No. 13**

HSA should assess and develop an oversight plan for the PAPG's fiscal operations and develop appropriate reporting requirements as a result of its assessment.

PRIOR AUDIT RECOMMENDATION NO. 16 - PAPG should document the review of transactions that occur between the hearing resulting in termination and the refund of remaining assets upon the account closing. This should be included with other closing documentation kept in the client file.

#### **IMPLEMENTATION STATUS:** Fully implemented

#### **Current Status:**

The Assistant PAPG now reviews transactions that occur between the hearing resulting in termination and the refund of remaining assets upon the account closing as part of the final review process. This review is noted with other closing documentation kept in the client file.

Our prior audit report recommended that a review be conducted of client transactions that occur between the hearing resulting in termination and the refund of remaining assets upon the account closing.

In our current audit, we found that the Assistant PAPG now reviews these transactions and documents the review with the closing documentation included in the client file.

#### **Current Audit Recommendation**

None

PRIOR AUDIT RECOMMENDATION NO. 17 - Procedures to complete questionnaires (assessment forms) before the disposition of client property for 100% of cases should be adhered to.

IMPLEMENTATION STATUS: Not implemented – Recommendation restated.

#### **Current Status:**

Questionnaires (assessment forms) are still not 100% completed before the disposition of client property.

To ensure that client property is disposed of properly and only after due diligence is performed the PAPG maintains a questionnaire (also known as, an assessment form) which is required to be completed before client property is disposed of. The questionnaire documents that the Deputy PAPG properly assessed the disposition of the property in a manner that is responsive to the best interest of the client and/or the estate. After they are filled out, these questionnaires are to be maintained in client files.

We found that questionnaires are not always completed and documented in client files as required. We examined 8 recent cases of client property that was disposed of in the prior year. Of these 8 cases, only 6 had the required questionnaire/assessment form in the client file. In interviews with staff, we found that the understanding of the form's requirements differed among staff. Again, we believe that this is a result of the lack of complete up to date written procedures and the high rate of employee turnover.

The procedure to complete the questionnaire in all cases of client property disposition would strengthen control over client property. It would also help protect the PAPG against liability in the event a client would charge that their property was improperly disposed of.

#### **Current Audit Recommendation No. 14**

Procedures to complete questionnaires before the disposition of client property for 100% of cases should be adhered to.

PRIOR AUDIT RECOMMENDATION NO. 18 - PAPG should formally document procedures for the auctioning of client assets.

IMPLEMENTATION STATUS: Not implemented – Recommendation restated.

#### **Current Status:**

PAPG contracts the service of auctioning client property to an outside vendor. The management of the process of auctioning client property and working with the outside vendor has many procedural steps. These procedures are still not documented.

PAPG contracts the service of auctioning client property to the outside vendor, "Property Room". This vendor has been through a formal County contracting process and is also used by the Ventura County Sheriff Department. In our prior audit, we noted that there were many procedural steps to be followed in order to manage the process of auctioning client property; however, these procedures were not documented.

The PAPG has still not formally documented the procedures for the management of auctioning client assets. We believe that documenting these procedures would strengthen the oversight and management over the auctioning process.

#### **Current Audit Recommendation No. 15**

PAPG should formally document procedures for the auctioning of client assets.

PRIOR AUDIT RECOMMENDATION NO. 19 - Periodic reviews of auctioneer records should be performed.

IMPLEMENTATION STATUS: Not implemented – Recommendation restated.

#### **Current Status:**

Periodic reviews of auctioneer records have not yet been performed. However, the addition of the new Accounting Officer IV has added the financial expertise and manpower that was needed to perform this procedure.

The PAPG has not yet performed periodic reviews of auctioneer records. The purpose of these reviews would be to verify the amounts that auctioneers receive for client items sold. However, with the addition of the Accounting Officer IV position, the PAPG now has the financial expertise and the manpower required to perform auctioneer field reviews and this should be considered.

#### **Current Audit Recommendation No. 16**

Periodic reviews of auctioneer records should be performed.

PRIOR AUDIT RECOMMENDATION NO. 20 - Periodic reviews of facility trust accounts should be performed.

IMPLEMENTATION STATUS: Not implemented – Recommendation revised.

#### **Current Status:**

Periodic reviews of facility trust accounts in the field have not yet been performed. The addition of the new Accounting Officer IV position has added the financial expertise and manpower needed to perform this procedure.

The PAPG has not performed periodic reviews of facility trust accounts at the facility sites. However, it is noted that trust ledgers are reviewed during the medical redetermination process. Trust ledgers are also presented in court for review as part of the client hearing process. The purpose of periodically visiting the facility sites and

reviewing the facility trust accounts would be to strengthen PAPG monitoring over the facility's maintenance and management of client funds.

With the addition of the new Accounting Officer position, PAPG now has the financial expertise and manpower to perform reviews of trust accounts in the field. We believe that periodic field reviews of facility trust accounts should be considered on an asneeded basis. We believe this would strengthen oversight of client funds in facility trust accounts.

#### **Current Audit Recommendation No. 17**

Periodic field reviews of facility trust accounts should be performed on an as-needed basis.

PRIOR AUDIT RECOMMENDATION NO. 21 - The criteria for placement of LPS Conservatees should be documented in a Memorandum of Agreement between PAPG and Behavioral Health.

IMPLEMENTATION STATUS: Not implemented – Recommendation restated.

#### **Current Status:**

The criteria for placement of LPS Conservatees have not been documented in a Memorandum of Agreement between PAPG and Behavioral Health.

The status of this recommendation has not changed since our prior audit. In our last report, we wrote the following, which is still applicable:

"The primary criteria to determine the placement for individuals under LPS Conservatorship are based on a medical assessment and California Mental Health Law (5358). Medical criteria is based on the physician's assessment and California Mental Health Law (5358) states that a Conservatee must be placed in the least restrictive alternative placement given their medical condition and with consideration given to public safety."

Both the PAPG and Behavioral Health have responsibility for ensuring that the Conservatee's are placed in the most appropriate setting. The PAPG and Behavioral Health have established a weekly meeting to discuss and determine LPS client placement issues. This meeting is now referred to as the "Continuum of Care" meeting and is regularly attended by Behavioral Health, PAPG staff and representatives of the facilities. Agenda items include discussions of facilities, availability, and client placement. Important information about clients, on a need to know basis, is also shared at this time.

In our prior report, it was recommended that any additional items or criteria that the agencies consider in placement should be formally documented in a Memorandum of Agreement between the two agencies. The purpose of this recommendation was to add clarity to the placement decision process.

This recommendation has not been implemented as of the time of this report. We restate our recommendation in its entirety.

#### **Current Audit Recommendation No. 18**

The criteria for placement of LPS Conservatees should be documented in a Memorandum of Agreement between PAPG and Behavioral Health.

PRIOR AUDIT RECOMMENDATION NO. 22 - Although PAPG has shown progress in completing filings for I&A's, PAPG still needs to improve its management oversight and enforcement to ensure all I & A's are completed within the 90 day deadline.

#### **IMPLEMENTATION STATUS:** Fully implemented

#### **Current Status:**

Management oversight of I & A's has improved. 100% of the required I & A's for current LPS clients in 2009 were completed within the 90 day deadline.

In the past year, PAPG began tracking I & A's and their due dates on an internal management spread sheet. This information is used by the Assistant PAPG to keep abreast of I & A's and their required submittal completion dates. This has led to a 100% compliance rate with current LPS clients in 2009. All I & A's due for current LPS clients were completed within their 90 day deadline.

#### **Current Audit Recommendation**

None

PRIOR AUDIT RECOMMENDATION NO. 23 - Ongoing coordination and consensus meetings should be established and held to address current conflicts within the LPS Conservatorship system, clearly define roles and responsibilities, and ensure effective processes for meeting requirements and addressing deficiencies are developed and implemented. The County Executive Office should facilitate these meetings to the extent possible.

IMPLEMENTATION STATUS: Not implemented – Recommendation revised.

#### **Current Status:**

Communications among agencies was found to be good. A mechanism for coordinating and reaching consensus on issues within the LPS Conservatorship system has not been developed.

As we reported last year, the primary mechanism for coordinating and reaching consensus on conflicts and issues within the LPS Conservatorship system is direct and indirect communications. Communication between agencies continues to be reported to be in good condition. An additional mechanism such as ongoing high-level coordination and consensus meetings has not yet been established.

We continue to believe that an additional mechanism such as coordination and consensus meetings would ensure that issues would be addressed regardless of the status of communications between agencies. However, with the transfer to HSA complete, we believe that it is no longer necessary that the County Executive Office facilitate these meetings. Also, these meetings could be held on an as needed basis. We, therefore, revised our recommendation.

#### **Current Audit Recommendation No. 19**

Coordination and consensus meetings should be established and held on an as needed basis to address current issues within the LPS Conservatorship system, clearly define roles and responsibilities, and ensure effective processes for meeting requirements and addressing deficiencies are developed and implemented.

PRIOR AUDIT RECOMMENDATION NO. 24 - Performance indicators for positions need to be revised, updated and integrated into new caseload management/accounting system upon implementation.

IMPLEMENTATION STATUS: Partially implemented – Recommendation revised.

#### **Current Status:**

Performance indicators for positions have not been fully revised, updated and integrated into new caseload management/accounting system.

The implementation of the new caseload management/accounting system shows progress towards fulfilling this recommendation. As stated under Prior Recommendation 11, PAPG is beginning to work with the new system provider to assess how to use the system to track performance indicators related to staff performance and the management of clients. In discussions with the new caseload system provider, we were informed that it was possible for the new system to track performance indicators and link these indicators to the evaluation of staff performance.

In the past year, PAPG has used the established County framework for staff evaluations. This framework includes the use of standardized performance questions, which are individualized with written comments. PAPG is currently moving to the HSA protocol for employee evaluations. Evaluations for staff are scheduled on an annual basis.

We note that the PAPG has fallen behind and did not meet the annual completion goals for staff evaluations in 2009. We believe that automating and tracking performance indicators for positions could help with the evaluation work load and their timely completion.

#### **Current Audit Recommendation**

#### Restatement of Current Audit Recommendation No. 11

PAPG should continue to revise, update and integrate quality performance indicators and performance metrics into the new caseload management/accounting system for tracking and evaluating the quality and timeliness of case management and staff performance.

PRIOR AUDIT RECOMMENDATION NO. 25 - PAPG should update its policies and procedures for the LPS conservatorship area, and develop written policies and procedures for Probate and PA estates.

IMPLEMENTATION STATUS: Partially implemented – Recommendation revised.

#### **Current Status:**

HSA and PAPG have begun the process of revising policies and procedures for all operations of PAPG. HSA has dedicated staff and resources towards this effort. As of the writing of this report, HSA and PAPG have completed this process for legal processing section of PAPG.

We believe that the recent organizational and technological changes of the PAPG necessitate the review and revision of most PAPG's policies and procedures. In addition, policies and procedures have yet to be documented for the PA estate and Probate areas of PAPG.

HSA employs Policy tech software for the development of the policies and procedures. This software allows for staff to access and view the policies and procedures on the HSA intranet and link to other HSA policies and procedures or Government Code. With Policy tech, policies and procedures can be updated and revised continuously, while maintaining an archive of any changes and maintaining security of the documents. HSA and PAPG have taken steps to map business processes prior to writing the procedures, which are then submitted for review and approval of management.

We believe that management and accountability would be strengthened when all PAPG's policies and procedures are revised, updated and documented. We strongly recommend that HSA and PAPG complete this process for all operations of the PAPG.

#### **Current Audit Recommendation No. 20**

HSA and PAPG should continue and complete the review, development and documentation of policies and procedures for all of the PAPG operational areas.

PRIOR AUDIT RECOMMENDATION NO. 26 - PAPG should develop desk procedures for all operational areas. Desk procedures should be less formal, easily accessible and user friendly.

#### **IMPLEMENTATION STATUS: Partially implemented**

#### **Current Status:**

PAPG has developed desk procedures for Placement Change Process and the Rent Calculation Process. PAPG still needs to develop desk procedures for most of its operations.

PAPG has developed desk procedures for two areas of its operations; Placement Change Process and Rent Calculation Process. These desk procedures are developed on Power Point and are accessible via the PAPG intranet. They are informal guidelines that are easily accessible, user friendly and quickly referenced. In interviews with staff, we were told that these desk procedures are useful and constructive. We believe that the PAPG should continue to develop these kinds of procedures for staff use. The development of desk procedures should be an on going and continuous process.

#### **Current Audit Recommendation No. 21**

PAPG should continue to develop desk procedures for all operational areas. Desk procedures should be less formal, easily accessible, user friendly and continuously updated.

PRIOR AUDIT RECOMMENDATION NO. 27 - PAPG should fill the vacant Deputy PAPG position.

IMPLEMENTATION STATUS: Partially implemented – Recommendation revised.

#### **Current Status:**

The turnover rate of staff had been unusually high in 2009. PAPG has lost and filled, and then re-filled many critical staff positions. Currently, 3 positions are vacant: the

Deputy Public Administrator, Deputy Public Guardian and one Community Service Worker.

The year since the prior audit had a significantly high rate of employee turnover in the PAPG. A summary of staff changes and challenges includes the following:

- Two Community Services Workers who filed for and remained on medical leave (one full time and one half-time) for most of the year.
- Loss of the services of a Fiscal Manager, who was provided by the Treasurer Tax Collector, as a result of the transfer to HSA in March 2009. The Accounting Officer IV position was created, but was not filled until August 2009. In the interim, services were provided by HSA Fiscal Administration.
- One Senior Deputy position that was under filled with a Deputy, left in May 2009.
  PAPG filled that position briefly with a Deputy, but he resigned shortly after. This
  position remained open until filled by another County employee in September 2009,
  who was asked to leave County employment after only one month because of a prior
  incident.
- Also, in January 2010, the Deputy Public Administrator resigned to take another position outside of County government.

Currently the PAPG has 14 approved positions, 11 filled positions and 3 vacant positions. PAPG is now recruiting for the following positions: Deputy Public Administrator, Deputy Public Guardian and one Community Service Worker position. HSA plans to fill these positions.

#### **Current Audit Recommendation No. 22**

PAPG should fill the vacant positions for Deputy Public Administrator, Deputy Public Guardian and Community Service Worker.

PRIOR AUDIT RECOMMENDATION NO. 28 - PAPG should consider establishing a supervisory function over administrative and fiscal operations.

#### **IMPLEMENTATION STATUS: Fully implemented**

#### **Current Status:**

PAPG has created and filled the Accounting Officer IV position.

#### **Current Audit Recommendation**

None

#### E. ASSESSMENT OF TRANSITION OF PAPG OPERATIONS TO HSA

#### **OBJECTIVE**

Our objective in this section of our report is to provide an assessment of the transfer of the PAPG from the Treasurer/Tax Collector (TTC) to the Human Services Agency (HSA). Our assessment of the transfer focused on three primary areas: 1) the level of Executive Oversight over PAPG at HSA, 2) the effects of the transfer on coordination efforts with other Agencies within the LPS community, and 3) the level of Support Services within the HSA.

#### **BACKGROUND**

In 2009, PAPG had successfully transitioned from the Treasurer/Tax Collector (TTC) to the Human Services Agency (HSA). The move of the PAPG was the result of action taken by the Ventura County Board of Supervisors, in October 2008, with the support of Assembly Bill 2343, to move the PAPG's functions and responsibilities from under the Treasurer/Tax Collector to the Human Services Agency (HSA). This was based on a Board letter dated October 9, 2007 that sited HSA as being the most well suited Agency for the PAPG given the similarities in services and the success of similar organizational county models.

A transitional plan had been developed by the County Executive Office and submitted to the Board on January 27, 2009. The plan coordinated the move into two phases. The first phase focused on the legal and procedural activities of the transfer and the second phase focused on the physical move of the office to the new location, operational integration and final determination of the on-going operational costs. The move was initiated in March 2009 and completed in December 2009.

#### I. Executive Oversight

## <u>Finding 29:</u> Executive oversight over PAPG operations at the Human Services Agency is comprehensive and thorough.

The PAPG is located in the Adult & Family Services (AFS) of the HSA. Adult & Family Services encompasses several social service programs primarily designed for serving adults. These programs work both independently and cooperatively within the HSA and with other agencies and community partners. The programs share many commonalities including management functionalities. Program managers or directors report directly to the head of AFS, HSA Deputy Director. The Deputy Director reports directly to the head of the HSA, the Agency Director.

AFS Program directors and managers maintain various management reports and track management data and performance metrics on a monthly basis. The HSA Deputy Director keeps apprised of program performance primarily through monthly management meetings and individual supervision meetings.

The PAPG currently produces management reports for the LPS program and is developing reports for the PA estates and Probate programs. A Strategic Plan has also been developed for PAPG, which quantifies the 28 recommendations from the January 2009 audit report into measurable performance goals. These goals are tracked and reported in management meetings and in one on one supervision meetings with the HSA Deputy Director.

The fiscal Accounting Supervisor reports directly to the Administrative Services section of the HSA. As stated in Part I of this report, Administrative Services are currently assessing the reporting requirements for the PAPG. Meanwhile, Administrative Services managers have direct access to PAPG financial information through the Panoramic system, and VCFMS for oversight purposes. We believe that separating the financial and operational reporting strengthens management control over PAPG.

#### II. Coordination efforts with other Agencies within the LPS community.

# <u>Finding 30:</u> We observed no material adverse effects from the transfer on other Agencies within the LPS community.

With the exception of minor logistical issues relating to the new location, we did not find any materially adverse effects from the transfer of the PAPG from the TTC to HSA on other Agencies within the LPS community. Most individuals and Agency representatives we spoke to in the course of this audit referred to the transfer as a positive development. Many sited the HSA as a more appropriate home for the PAPG because of the commonality of purpose and observed that the support of the PAPG has improved.

#### III. The level of support services within the HSA.

# <u>Finding 31:</u> The level of Support Services for the PAPG under the HSA has improved.

Based on our audit and discussions with various PAPG stakeholders, we believe that the level of support services for PAPG program needs and requirements has improved under the HSA. There is a commonality of purpose of the PAPG and its parent Agency, and the HSA is better organized and structured to support social service programs such as the PAPG.

Under the Administrative Services section of the HSA, the following support services are available to help PAPG accomplish its mission: Business Technology, Facilities, Fiscal, Human Resources, Contracts & Grants, Office of Strategic Management, State Appeals, Civil Rights and General Support Services.

In the course of our audit, we observed or verified many of these support services such as IT, purchasing, contracting, management support such as writing of policies and procedures, building and facilities support and security.

F	RESULTS OF PREVIOUS AUDIT - ISSUED JANUARY 2009		RESULTS OF FOLLOW-UP AUDIT - ISSUED MAY 2010		
	Prior Audit Recommendations Requiring Corrective Action	Status of	Curr	rent Audit Recommendations Requiring Additional Corrective Action	
A COLUMN	Description	Recommendations	Number		
1	Policies and procedures for the performance of periodic physical inventories should be formally developed, documented and implemented.	Not implemented – Recommendation revised	1	PAPG should continue to review their inventory business processes and research the inventory capabilities of their new caseload management software system. PAPG should also inquire about the best practices of other Californian PAPG offices that utilize the same system. PAPG should then develop and document new comprehensive policies and procedures over inventory.	
		,,,,,,,	2	PAPG should consider separating some inventory tasks, such as inventory audit, that would add check and balance controls and more evenly distribute the work load eliminating back logs and bottle necks in processing.	
2	Procedures and best practices for the use of the video camera should be developed and disseminated to staff through in-service training for more effective use in recording inventory		3	Procedures and best practices for the use of the video camera should be developed and disseminated to staff through in-service training for more effective use in recording inventory	
3		Partially implemented – Recommendation revised.	4	PAPG should consider a procedure that requires the presence of a qualified third party, such as supervisor or manager, to observe initial inventory assessments of Conservatorships on a random basis.	
4	PAPG should ensure the requirements of Probate Code Section 12200 are met. PAPG should attempt to complete every estate within the time period established by the Probate Code. If this cannot be reasonably accomplished, then a status report should be filed with the court.	Partially implemented – Recommendation revised.	5	PAPG should continue to work with County Counsel to increase efficiencies in processing of estate cases, fill the Deputy PA position, and document its policies and procedures for PA estate cases.	

RESULTS OF PREVIOUS AUDIT - ISSUED JANUARY 2009		RESULTS OF FOLLOW-UP AUDIT - ISSUED MAY 2010		
	Prior Audit Recommendations Requiring Corrective Action	Status of	Current Audit Recommendations Requiring Additional Corrective Action	
	Description	Recommendations	Number	
5	A workload assessment should be conducted in the PA estate area to determine staffing requirements.	Not implemented. Recommendation restated.	6	A workload assessment should be conducted in the PA estate area to determine staffing requirements.
6	In the procurement of work/services from non-governmental entities, PAPG should only use contractors that have undergone a contracting process and have been approved either by the PAPG or by another County or City agency.	Partially implemented – Recommendation revised.	7	Policies and procedures for the procurement of services on the behalf of clients should be developed, documented and reviewed by the HSA. Procedures should include maintaining a list of approved contractors and guidelines for maintaining records of these transactions.
7	Policies and Procedures for interest allocation for client cases that are closed mid quarter and to individual estates at the time of final distribution should be developed and implemented.	Not implemented. Recommendation restated.	8	Policies and Procedures for interest allocation for client cases that are closed mid quarter and to individual estates at the time of final distribution should be developed and implemented.
8	The new caseload management software system should be implemented as quickly as possible.	Fully implemented	N/A	None
9	Review over fiscal operations, including the addition of financial expertise, should be increased.	Fully implemented	N/A	None
10	PAPG should track data and develop management reports for Probate and PA estate cases. Management performance reports should include compliance issues being tracked such as I & A's and hearing notice filing dates.	Partially implemented – Recommendation revised.		PAPG should track data and develop management reports for Probate and PA estate cases.
			10	PAPG should continue to study the new caseload management software's capabilities, and automate the tracking of management metrics.

	RESULTS OF PREVIOUS AUDIT - ISSUED JANUARY 2009	RESULTS OF FOLLOW-UP AUDIT - ISSUED MAY 2010		
	Prior Audit Recommendations Requiring Corrective Action			rrent Audit Recommendations Requiring Additional Corrective Action
	Description	Recommendations	Numbe	
11	Quality performance indicators and performance metrics should be revised, updated and integrated with the new caseload management system upon its implementation.	Partially implemented. Recommendation revised.	11	PAPG should continue to revise, update and integrate quality performance indicators and performance metrics into the new caseload management/accounting system for tracking and evaluating the quality and timeliness of case management and staff performance.
12	PAPG should develop written policies and procedures for the transfer of funds from client bank accounts to Treasurer Trust accounts.	Not implemented. Recommendation restated.	12	PAPG should develop written policies and procedures for the transfer of funds from client bank accounts to Treasurer Trust accounts.
13	HSA should consider providing PAPG with financial management assistance to effect the smooth transition of the PAPG operations to HSA. The financial assistance currently provided by the TTC is temporary and will be concluded when PAPG operations move to HSA.	Fully implemented	N/A	None
14	PAPG should perform a review of fiscal operations job duties and needs to identify the specific financial expertise and training required.	Fully implemented	N/A	None
15	PAPG should conduct an annual review or audit over fiscal activities.	Not implemented. Recommendation revised.	13	HSA should assess and develop an oversight plan for the PAPG's fiscal operations and develop appropriate reporting requirements as a result of its assessment.
16	PAPG should document the review of transactions that occur between the hearing resulting in termination and the refund of remaining assets upon the account closing. This should be included with other closing documentation kept in the client file.	Fully implemented	N/A	None
17	Procedures to complete questionnaires (assessment forms) before the disposition of client property for 100% of cases should be adhered to.	Not implemented. Recommendation restated.	14	Procedures to complete questionnaires before the disposition of client property for 100% of cases should be adhered to.
18	PAPG should formally document procedures for the auctioning of client assets.	Not implemented. Recommendation restated.	15	PAPG should formally document procedures for the auctioning of client assets.
19	Periodic reviews of auctioneer records should be performed.	Not implemented. Recommendation restated.	16	Periodic reviews of auctioneer records should be performed.
20		Not implemented. Recommendation revised.	17	Periodic reviews of facility trust accounts should be performed.

RESULTS OF PREVIOUS AUDIT - ISSUED JANUARY 2009		RESULTS OF FOLLOW-UP AUDIT - ISSUED MAY 2010		
	Prior Audit Recommendations Requiring Corrective Action	Status of	Current Audit Recommendations Requiring Additional Corrective Action	
	Description	Recommendations	Number	Description
21	The criteria for placement of LPS Conservatees should be documented in a Memorandum of Agreement between PAPG and Behavioral Health.	Not implemented. Recommendation Restated.	18	The criteria for placement of LPS Conservatees should be documented in a Memorandum of Agreement between PAPG and Behavioral Health.
22	Although PAPG has shown progress in completing filings for I&A's, PAPG still needs to improve its management oversight and enforcement to ensure all I & A's are completed within the 90 day deadline.	Fully implemented	N/A	None
23	Ongoing coordination and consensus meetings should be established and held to address current conflicts within the LPS Conservatorship system, clearly define roles and responsibilities, and ensure effective processes for meeting requirements and addressing deficiencies are developed and implemented. The County Executive Office should facilitate these meetings to the extent possible.	Not implemented. Recommendation revised.	19	Coordination and consensus meetings should be established and held on an as needed basis to address current issues within the LPS Conservatorship system, clearly define roles and responsibilities, and ensure effective processes for meeting requirements and addressing deficiencies are developed and implemented.
24	Performance indicators for positions need to be revised, updated and integrated into new caseload management/accounting system upon implementation.	Partially implemented – Recommendation no. 11 restated.	11	PAPG should continue to revise, update and integrate quality performance indicators and performance metrics into the new caseload management/accounting system for tracking and evaluating the quality and timeliness of case management and staff performance.
25	PAPG should update its policies and procedures for the LPS conservatorship area, and develop written policies and procedures for Probate and PA estates.	Partially implemented – Recommendation revised.	20	HSA and PAPG should continue and complete the review, development and documentation of policies and procedures for all of the PAPG operational areas.
26	PAPG should develop desk procedures for all operational areas. Desk procedures should be less formal, easily accessible and user friendly.	Partially implemented – Recommendation revised.	21	PAPG should continue to develop desk procedures for all operational areas. Desk procedures should be less formal, easily accessible, user friendly and continuously updated.
27	PAPG should fill the vacant Deputy PAPG position.	Partially implemented – Recommendation revised.	22	PAPG should fill the vacant positions for Deputy Public Administrator, Deputy Public Guardian and Community Service Worker.
28	PAPG should consider establishing a supervisory function over administrative and fiscal operations.	Fully implemented	N/A	None

Barry L. Zimmerman Director

May 4, 2010

Christine Cohen, Auditor-Controller County of Ventura – Auditor-Controller's Office 800 S. Victoria Avenue Ventura, CA 93009

**Subject**: Management Response to Thompson, Cobb, Bazilo, and Associates (TCBA) Final Audit Report for the Public Administrator/Public Guardian (PAPG).

#### **Summary Response:**

I have reviewed the TCBA final audit report of the PAPG, dated April 2010, its' findings and recommendations, as well as those from a series of audits, conducted in 2004, 2007, and 2009.

The audit report fairly portrays the current status of the PAPG and identifies 28 items for follow-up. In addition, TCBA recognized the commitment and progress that has been made since the PAPG was transitioned to the Human Services Agency (HSA) in March 2009.

As highlighted in the audit, HSA has made significant strides in the implementation of a number of system improvements; including enhanced management oversight of operations and service delivery; implemented policy and procedure to ensure consistency and standard practice; instituted best practice and performance measures to ensure program outcomes; strengthened the organization and staffing structure; and has effectively addressed, or is in the process of resolving all of the findings included in the final audit report in accord with recommendations of TCBA. I am pleased with the progress and commitment that the PAPG team has made in the short one year period since transitioning to HSA in March of 2009.

It is important to recognize the scope of the transition that occurred this past year and the accomplishments of the PAPG team for their role in transitioning to a new agency, their dedicated focus on addressing the areas of opportunity for improvement included in the audit, and maintaining cores services to the community.

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Some of the key accomplishments include the addition of a new caseload management software system; dedicated fiscal oversight that came with the addition of an Accounting Officer in August of 2009; a focus upon current process mapping and policy and procedure development; a dedicated focus on enhanced internal controls, security protocols, inventory and client asset management and administration; and lastly the physical move of the PAPG operations adjacent to HSA Administration in late December of 2009, which provided enhanced oversight and Agency ownership of the programs.

I very much appreciate the cooperation and support of TCBA throughout the transition and in working with us collaboratively as this audit was conducted. Attached is a detailed overview of our management response to 22 of the 28 audit report recommendations.

Sincerely,

Barry L. Zimmerman, Director Human Services Agency

Attachment

CC: Supervisor Steve Bennett

Supervisor Linda Parks
Supervisor Kathy Long
Supervisor Peter C. Foy
Supervisor John C. Zaragoza

Marty Robinson, County Executive Officer

Management Response to TCBA Final Audit Report for the PAPG May 4, 2010 Page 3 of 5

**Attachment** 

#### **Detailed Recommendation Responses:**

- 1. **Agree**. Policies & Procedures (P&P) in this area are being revised to incorporate enhanced functions in Panoramic. It is our intent to complete these revisions by June 30, 2010.
- 2. **Agree.** This will be incorporated into new inventory P & P and will include oversight by HSA fiscal management.
- 3. Agree. Completed March 26, 2010.
- 4. Agree. Completed March 26, 2010.
- 5. Agree. Panoramic now generates a 14-month report and PA will notify County Counsel at that point if estate is not likely to close by 18 months so a status report can be prepared. Vacant Deputy PA position will be filled.
  P & Ps for PA desk are being written, to be completed by June 30, 2010.
- 6. **Agree with comment.** When a Deputy PG left the agency for another position in 2009, workload in both PG and PA was reviewed. It was decided to not fill the vacant Deputy PG position and to fill an unfunded Sr. Deputy position. This strategy increased our supervisory span of control and added resources to the PA since the Sr. Deputy is responsible for the PA. Present staffing levels in PA are adequate to serve current need.
- 7. Agree with comment. For most services of this type, the procurement of vendors falls under the responsibility of the Real Estate Agent. This role is dictated by language in the contract with the County. GSA went through its process in establishing the RFP and the requirements for those firms approved to provide the services.

When the PAPG needs a vendor not covered in the Real Estate contract, we follow the County policy on procurement which dictates, based on dollar value of the service, the method of procurement. HSA will adjust the current contract with the Real Estate firm to identify that all subcontracted services they oversee shall be procured in accordance with County policy and that HSA retains the right of approval for all such agreements. Further, HSA will periodically monitor for contractor compliance.

- 8. Agree. P&P completed on April 20, 2010.
- 9. Agree. Working with Panoramic. To be completed by June 30, 2010.

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- 10. Agree. Working with Panoramic. To be completed by June 30, 2010.
- 11. Agree. Working with Panoramic. To be completed by June 30, 2010.
- 12. Agree. Completed March 25, 2010.
- 13. Oversight over Fiscal operations is accomplished through the Accounting Officer IV who is an employee of HSA and reports to the Fiscal Manager I in HSA Fiscal. The Accounting Officer IV supervises the 2 PAPG Fiscal staff. The Fiscal Manager I and Accounting Officer IV regularly discuss fiscal issues and processes at PAPG.
- 14. **Agree**. Questionnaire has been revised and staff will be trained. Management will track adherence to using questionnaire appropriately before disposition of client property. To be completed by April 30, 2010.
- 15. Agree. To be completed by April 30, 2010.
- 16. **Agree**. A formal plan for review of auctioneer records will be completed by June 30, 2010.
- 17. **Agree.** Copies of quarterly statements will be requested from facilities to compare to PAPG records. Review of these statements as well as other mandated reviews that indicate problems will result in field review.
- 18. Agree with comment. A concerted effort to complete this agreement began in the fall of 2009. The PAPG and VCBH have been meeting to discuss the content of the agreement. The PAPG has reached the point in the process that County Counsel has reviewed the agreement. It is expected that the MOU will be completed by April 30, 2010.
- 19. Agree with comment. The PAPG currently conducts weekly meetings with key representatives within the LPS system that ensures appropriate coordination for shared cases. We agree that periodic meetings with the broader system that would include County Counsel, the Public Defender and the Judges could be helpful. The purpose of these meetings is to ensure that issues within the system are addressed appropriately and assist each agency in understanding established under legal responsibilities the roles and The most recent meeting occurred April 2009. The purpose of the meeting was to coordinate plans to change the location of LPS bench trials due to the lack of availability of courtrooms at the Superior Court building and the change in Judge Kellegrew's courtroom assignment to the Juvenile Justice Center.

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- 20. **Agree.** HSA/PAPG will continue these efforts ongoing as in other HSA programs.
- 21. **Agree.** For those desk procedures which require simplification for uses above what is listed in Policy Tech and which staff perform frequently, an electronic guide "How To..." instructions will be completed by June 30, 2010. This allows for updating and revising easily so that the staff can stay current.
- 22. Agree with comment. When both the PG and the PA positions became vacant, the PAPG immediately worked with HSA HR and County HR to evaluate the job description to ensure alignment of duties. We are in the second round of interviews for the Deputy PG position and the recruitment for the PA position has closed first round interviews are in process. One of the Community Services Worker position is no longer vacant as one employee returned from leave on April 5, 2010.

Regarding comments in the audit report about high turn-over rates: we would agree that the PAPG has had a high vacancy rate but since transitioning to HSA, the agency has worked diligently to hire and retain high performing individuals.